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The Casualty & Surety Journal

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— should read carefully all articles for helpful suggestions that will assist you in your daily sales and service activities

The Casualty & Surety Journal

A Magazine of Ideas

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A Look at America's Super Highway

ROBERT S. HOLMES

★ AMERICAN motorists, on October 1, 1940, were introduced to the first and foremost super highway in this country, the Pennsylvania Turnpike. It stretches its 160 miles of homogeneous length through the Appalachian Mountains from near Harrisburg, to 21 miles east of Pittsburgh, piercing the mountains with seven tunnels, each approximately one mile in length.

Not only is the Turnpike a remarkable achievement because it traverses the most difficult terrain in eastern United States over a low-grade route, but safety in vehicle operation was made the keynote in design. Let's take a ride along this non-stop, super-speed highway with no sharp curves, no steep grades and no crossroads, and note some of the outstanding design features which provide for the safety, comfort and convenience of the American motoring public.

As we leave the State highway at Middlesex and move on to the Turnpike, we are informed by a large billboard-type sign that this is an "Express Highway to Pittsburgh" and we learn also that the first ticket booth is not far away. For the moment we are rolling along this $70,000,000 highway with no thought of "toll" (a

taboo word with the Turnpike Commission, which prefers to speak of "tickets" and "fares"), even though we have already formed the opinion that we would gladly pay for a 160-mile ride on this wonderful highway. Soon, however, we are reminded by appropriate signs that "Ticket Booths" are near and cautioned to reduce speed accordingly. Upon reaching the ticket booths, we are given a ticket and a cheery greeting, told that we "pay as you leave" and promptly ushered on our way.

Before us stretch 160 miles of "foolproof" vehicular freeway, probably the initial link in a national system that will far surpass the famous German system of Autobahnen. The wide roadways first attract our attention, consisting of two 12-foot lanes in each direction of the dual-lane highway.

Lanes. — A 10-foot center parkway separates eastbound and westbound traffic, thus providing one of the first fundamental safety features — the separation of opposite-flowing traffic streams to reduce the possibility of head-on collision and side-swipe accidents. The provision of two lanes in each direction eliminates the menace of slow-moving vehicles and allows ample room for passing safely by all classes of traffic.

Shoulders. — Another notable safety feature is the provision of wide, smooth, stable shoulders level with the pavement to enable vehicles to park completely off the paved area and thus quickly clear

ROBERT S. HOLMES

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the roadway when cases of traffic emergency or mechanical failure arise.

Effortless Ease

We marvel at the effortless ease with which we travel at 65 and 75 miles per hour along the rolling country that comprises the first thirty miles of the Turnpike, including thirteen miles of straightaway, the longest on the Turnpike (see Photo No. 1).

Service Stations. — As we near the end of this long tangent we flash by the first of ten service stations (see Photo No. 2) located at intervals on first one side and then the other, but never more than ten or fifteen miles apart. These modern, highly efficient stations, built of Pennsylvania graystone, afford relaxation, comfort and service to the traveler and provision is made for restaurant counter-service to those who desire light refreshments. Safety is provided at these stations by long 1,200 foot deceleration and acceleration lanes which allow the motorist to change speed without hindrance to through traffic.

By this time we have left the first intermediate interchange (Blue Mountain) behind and are warned by a large sign that there is a "Tunnel Ahead One Mile." (See Photos No. 3 and No. 4.)

Speed. — Later we are warned to reduce speed, and then see our first speed limit sign stating that we are not to travel more than 50 miles per hour.

Photo No. 1. — *Looking West along 13-mile tangent showing the medial strip and wide roadways and shoulders*

No-Passing Zone. — We are then informed that there is a "No Passing Zone," and approximately 1,000 feet from the tunnel portal the wide two-lane roadway begins narrowing to one lane. We are finally warned by another speed limit sign to travel at 35 miles per hour through the tunnels.

Tunnel. — As stated previously, this is one of a series of seven tunnels along the Turnpike, each approximately one mile in length.

Illumination. — Daylight illumination is provided by rows of 10,000 lumen mercury vapor lamps placed in the ceiling of the tunnel thirty-seven feet apart, staggered along center lines.

Ventilation. — We notice immediately that the tunnel is well ventilated, special provision for this

being made by the largest forced draft fans ever made, with an approximate capacity of 139,000 cubic feet of air per minute.

As we leave the Blue Mountain tunnel, we are in the open only temporarily, as we cross a 600-foot valley into Kittatinny Mountain tunnel, thus forming the twin tunnels of the Turnpike, with a total overall length of over two miles. A large part of the cost of the Turnpike went into the building of these tunnels and the total cost for the seven was approximately $12,000,000. The tunnels were partially completed before the Turnpike was built as they were part of the old South Pennsylvania Railroad project abandoned fifty years ago.

Emergency Provisions. — Adequate provision is made in these tunnels for the safety of the motorists in emergency cases. Telephones and fire extinguishers are placed in niches along the wall at regular intervals, and a wrecker is provided at each portal to answer any emergency within the tunnel. Provision is made also to stop traffic in cases of emergency so that no serious accidents will be encountered due to vehicles parked in the tunnel.*

Photo No. 3. — *Typical tunnel warnings like this are placed on the approach to each of seven mile-long tunnels*

Photo No. 2. — *Typical service station along the Turnpike. One of 10 providing the motorist with relaxation, comfort and service*

Mountain Terrain

We are now entering the more mountainous regions traversed by the Turnpike and wonderful scenic views appear as the roadway

* The tunnel is 28 feet 6 inches wide, and from roadway to ceiling 14 feet 4 inches high, with an airshaft in a 7-foot segment of the concrete arch above ceiling. A 2-foot 9-inch emergency walk is provided throughout the entire length of the tunnel and the 23-foot roadway is marked by large mushroom traffic buttons and white painted lines.

winds along the southern and western slopes of the foothills. (See Photos No. 5 and No. 6.) The Turnpike was built along the southern and western slopes as an aid in clearing snow and ice.

We wonder how it is possible to provide such easy grades through this mountainous and hilly country, but this fact is easily explained when we note the huge cuts and high embankments that were necessary to provide these easy rolling grades.

Grades. — The maximum grade on the Turnpike is only 3% or less than an 8-foot rise in a standard city block. The remarkable feature of the grades is that the vertical climb of the Turnpike, as compared with the old Lincoln Highway (U. S. 30), was reduced from 13,000 feet to only 3,000 feet. Besides a considerable saving in time because of these low grades, trucks are assured greater safety and less mechanical faults, especially when travelling downhill.

Photo No. 5. — *Panoramic view found along Turnpike which traverses the beautiful country of the Pennsylvania Appalachian mountains*

Photo No. 4. — *One of the few speed limit signs, placed only on tunnel approaches and near terminal ticket booths at each end of the Turnpike*

Sight Distances. — An added safety feature of these grades is the fact that sight distance on the vertical grades ranges over 1,000 feet in every instance. This "rear-end collision" sight distance has been based on vision from the eye of the driver to a stone or other obstruction four inches high. Available car-to-car sight distance, of course, is much greater. Engineers have estimated that the Turnpike grades materially reduce fuel cost, tire cost (reduced braking effort) and maintenance cost.

Interchange

In the distance, we note a large sign and as we draw near we can

Photo No. 6. — *Another view of the many scenic splendors which confront the motorist*

easily ascertain that we are approaching Fort Littleton Interchange where an exit is provided. This first indication is given two miles in advance of the turnout. Again at one mile, we are informed that we are nearing the interchange and also that the distance to the next exit is seventeen miles. Information is again repeated at one-half mile at which point we first sight the interchange layout ahead. An unusual feature of the location of the intermediate interchanges is the fact that they are generally set in valleys where they can be discerned by approaching motorists at least one-half mile in each direction.

We also note the additional lane provided for deceleration and a sign warning us to "Keep Right for Exit." As we near the turnout ramp, we are again notified of the Federal or State route that we are nearing and also a directional arrow to indicate how to reach this new route.

Toll Booths. — Single toll booths are provided at these intermediate interchanges for more efficient and economical operation and proper ramps are available to lead you into the Turnpike in any direction you may wish to take. (See Photo No. 7.)

Deceleration Lanes. — The interchanges were especially designed from the standpoint of safety by providing acceleration and deceleration lanes 1,200 feet in length. Thus the motorist can turn off of the main traveled way onto the additional lane when leaving the Turnpike and have ample time to slow down by engine compression alone. The deceleration lane starts abruptly without transition because it was felt that during periods of poor visibility such abruptness would more positively

Photo No. 7. — *Typical intermediate interchange ticket booth so arranged as to provide for efficient and economical one-man operation*

indicate the presence of the lane and the imminent approach to an interchange. The peculiar shape of the turnout ramp at these interchanges is based on a design feature which provides for safe movement of traffic from the point of turnout. The motorist leaving this point at 56 miles per hour can decelerate on the loop by engine compression alone to twenty miles per hour without undue discomfiture. The acceleration lanes were designed so that motorists entering the Turnpike can see traffic on the Turnpike through the rear view mirror and also have sufficient length to accelerate to comparable speed of traffic on the Turnpike.

Signing. — Adequate signing is provided at the interchanges to inform you of the proper direction upon leaving the Turnpike and also upon entering. Early in the construction stages of the Turnpike, the sign problem was designated as one of the most important to the efficient functioning of the highway. To this end months of painstaking research and study were consumed in developing the proper signs for high-speed traffic. No other design feature of the Turnpike receives so much public attention as the signs regulating and directing traffic along the route.

In order to provide adequate visibility under all conditions, the signs were increased in size to billboard type so that they could easily be read well in advance by motorists approaching at high speed. Very little variation was made from the national standards with the exception of size and the information was made as simple as possible so that the signs could be easily read and understood.

Photo No. 8. — *Clear Ridge Cut, where 1,250,000 cubic yards of earth were removed so that maximum grade could be maintained*

As we speed along the Turnpike, we are impressed with the fact that the country traversed is sparsely settled. Engineers in laying out the Turnpike were careful to avoid communities of any description, since the highway is of limited access and only certain specific points are available for traffic to enter upon or leave the Turnpike.

Fences. — A right-of-way fence parallels the Turnpike on each side of its entire length so that no

Photo No. 9. — *Aerial view of the Mt. Dallas Cut, showing route of the Turnpike along river and the present Lincoln Highway U. S. No. 30 near Everett, Pennsylvania*

pedestrians can walk on the roadways and no animals can get within the right-of-way to obstruct traffic.

Obstructions to View. — No commercial frontage is provided and the Commission does not allow billboard signs of any type or description within the right-of-way. In the event some enterprising company should erect billboards outside these limits, the Commission plans to plant trees and shrubs tall enough to hide such signs. They feel that the only signs necessary are the 900 traffic signs provided for the guidance and convenience of the patrons.

Cuts. — As we approach the mid-point of our travels, we come to a deep gash in one of the mountains. This cut, the largest on the Turnpike, was decided upon rather than the boring of a tunnel. It is approximately 2,600 feet long, 150 feet deep and 380

feet wide at the top (see Photo No. 8) and one and a quarter million cubic yards of earth were removed in the excavation at this particular point.

Just beyond this huge cut, the Turnpike runs high across the surrounding valleys on tremendous embankments 90 and 100 feet high. At this point the Turnpike is by-passing the small town of Everett, and winds through what is known as Mount Dallas Cut near the Juniata River. Aerial view (Photo No. 9) shows this particular section where a huge slice was taken out of the nose of Mount Dallas to provide for the Turnpike and a secondary roadway.

Crossings. — Also to be noted in this photograph near the top is an underpass and an overhead crossing, two of 312 such structures along the Turnpike, to carry traffic over and under the Turnpike, thus eliminating crossings at grade, and providing another fundamental safety feature.

Mid-Point Dormitory. — We finally reach the midway station at Bedford, Pennsylvania, where a large dormitory and restaurant is provided with facilities on each side of the roadway for servicing the cars. Photo No. 10 shows this long, rambling two-story structure with adequate accommodations for 38 truck drivers.

Underground Passage. — A pedestrian underground tunnel allows the public to cross from the service station on the opposite side, as shown in Photo No. 11. No sleeping facilities are provided for the public along the entire length of the Turnpike, but information is available at service stations in the event one wishes to turn off at a particular point for a night's rest.

As we leave the mid-point of the Turnpike and drive westward, we are sweeping up through valleys with curves at frequent intervals.

Curves. — Another notable safety feature is provided in the arrangement and sequence of these curves. The curves are well banked and designed so that they can easily be taken at high speeds with no apparent discomfiture to the motorist. No sudden transition is made

Photo No. 10. — *Dormitory and restaurant, a long, rambling two-story structure containing adequate accommodations for 38 truck drivers*

by introducing sharp curves at the ends of long tangents. Instead, smooth, easy curves are provided to be followed by gradual, increased curvatures so that there is never any necessity of a change in speed of more than five miles per hour.

Lighting. — Night has fallen and the Turnpike looks as if someone had turned on millions of small lights along the edges of the roadway. These "lights" are small, roadside delineators, spaced at 100-foot intervals, which reflect headlight beams for over one-half mile and guide the motorists over hills and around curves. The signs are also reflectorized and are immediately recognized at distances over 2,000 feet.

As we approach Allegheny tunnel, we are suddenly aware of a series of sodium vapor luminaires on the tunnel approach which gradually become increasingly brighter as we near the tunnel portal. This unusual feature is due to the fact that the luminaires are spaced at closer intervals as we approach the tunnel so that the light is comparable to that within the tunnel itself and therefore reduces temporary blindness.

Pavement Stripe. — Another illumination feature that is particularly noted is the six-inch illuminated pavement stripe provided in the center of each roadway which serves as an excellent guide, even though fog or other unusual conditions black out the roadside delineators.

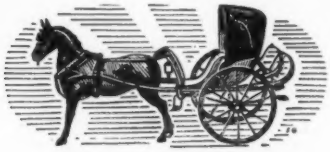
As we near Somerset interchange again the sodium vapor luminaires are noted lighting up the entire interchange and acceleration and deceleration lanes to warn motorists of the special facility. Only thirty minutes to drive and we reach our destination at the western terminal of the Turnpike where adequate advance warning is given that we are to "pay fare" as we leave the Turnpike.

* * *

Thus we have reached the end of our journey on one of the greatest super highways in the world today. It is estimated that 1,300,000 vehicles of all types will use the Turnpike the first full year of

Photo No. 11. — *A pedestrian underground passage allows the public to pass from the service station to the dormitory on the other side, shown in Photo No. 10 (see preceding page)*

operation and that traffic will increase to 2,070,000 by 1945. Other super highways are already being projected and undoubtedly the Pennsylvania Turnpike will be the "yardstick" of all such future development. In times like these, the Turnpike takes on added significance as a military highway. Men, munitions and other materials of warfare could be moved across the state with the speed and efficiency that are so necessary in times of national stress.



In the Good Olde Days —VI

¶ *Old Egypt Sought a Fountain Pen.* — The fact that the modern fountain pen was invented by an insurance-man-turned-irate when his inkwell ran dry, gives added interest to this stock-in-trade tool of the modern insurance agent.

An early attempt to devise a fountain pen has been disclosed by excavations in an Egyptian tomb dating back more than 4,000 years. The primitive instrument consisted of a section of reed the diameter of a lead pencil about three inches in length and mounted on a long piece of copper. The nib of the pen was cut away to a fine point like an ordinary quill pen. The narrow tube of the reed served to hold in reserve a small quantity of the writing fluid, whatever it may have been. The earliest writing fluid, it is now thought, was probably applied by means of a brush in Egypt and in China. The brush required frequent dipping into the fluid so that may have led to the idea of a pen which would hold a considerable amount of fluid.

A NEW YORK MILLINER ONCE INSURED ALL HER PATRONS AGAINST THE POSSIBLE DAMAGE OF THEIR HEADWEAR AND FINERY, DURING THE EASTER PARADE!
THE WORD PROFIT COMES FROM THE LATIN WORD "PROFECTUS," MEANING TO ADVANCE, PROGRESS, PROCEED FORWARD!
THE MANAGER OF A NATIONAL HOTEL ASSOCIATION RECENTLY REPORTED THAT PILFERAGE OF TOWELS, BLANKETS, SILVERWARE AND OTHER ARTICLES COSTS HOTELS $10,000,000 A YEAR!
TO FEAR THE WORST, OFT CURES THE WORST!"
(SHAKESPEARE)
"IF YOU DIVORCE CAPITAL FROM LABOR, CAPITAL IS HOARDED AND LABOR STARVES."
(DANIEL WEBSTER)

¶ Everyone Benefits
by Working Together

The Producer and the Claim Man

Each Can Assist the Other in Giving Public Utmost in Promptness and Efficiency

GEORGE H. MOLONEY

★ EVERY claim department has hidden reservoirs of additional service that can be opened easily by any agent who chooses to be as tactful and diplomatic with the claim department as he is with his own customers.

Above all things, courtesy must be the outstanding feature of every claim department, and the claim representative who cannot resist "talking back" to an assured or to a claimant belongs to another order and surely has no place in the insurance field of today. The assured is generally more impressed by the method with which claims are handled than by the arguments of the agent who sold him the insurance. If he is offended during the pendency of the claim, it makes no difference how large the company may be or how unlimited its assets and the agent, who must stand or fall on the service of the company, not only loses a client, but that client certainly does not favorably advertise him in the future. The claim man who realizes how difficult it is to get good business and how easily it may be driven away by the slightest inattention on his part, is on his way to becoming a valuable aid to the agent who places business with his company.

It should ever be before his mind that the agent is responsible for the volume of business that gives him a position and that his position becomes more or less important as the business in his territory increases or decreases.

The agent should be kept advised of the progress of claims connected with his business, particularly when some unlooked for development has occurred. The assured does not always remember the name of the company with whom he is insured but he always turns to his agent when he is in trouble, and he expects that his particular difficulty is the all-important matter in the agent's mind and that the company too should give it due and instant recognition.

In the rarer instances where disclaimers of liability must be issued, the agent always should be taken into the company's confidence and fully advised before such a letter is mailed, so that he may be well informed when his client calls upon him for advice. No letter containing harsh, abrupt or arbitrary language should be sent to an assured, for such a communication can easily offset all the efforts that an agent has put into the building of his customer's business with the company. In general, nothing should happen in the course of the handling of a claim that can be unpleasantly remembered by either the agent or the assured.

Salesmanship is possessed to a high degree by every successful agent. He should try that quality on the claim department for his own benefit. Particularly in the casualty insurance field where many claims often arise under one policy and quite generally the only direct contact had with the company by the assured is through the claim department, the agent can be of unlimited assistance to the claim department and at the same time can benefit himself by the association.

Immediately upon receipt of a notice of claim from his assured that involves any question of coverage, he ought to endeavor to anticipate unfavorable action on the part of the company, and that is the time to explain to his client such difficulties as will likely be encountered. If by any chance the claim is one that must be turned down by the company, the way is paved for a termination of the

GEORGE H. MOLONEY

matter without loss of prestige to either the company or the agent. When an agent takes this attitude with a client, he has nothing to explain if the company confirms his ideas and he has lessened his chances of losing the client, for the client usually respects the opinions of his own agent far more than he does the opinions of the company's representative. When both coin-

cide he is more than a little convinced of the correctness of the company's attitude.

If the company should overlook the discrepancy, the client is made all the happier because he feels that his agent has accomplished something for him. It should always be borne in mind that the assured places no value on the services of an agent in his behalf on a questionable claim if he never knows that a question has been raised, but he does put a lasting value on the services of the agent who has secured the payment of a claim that from the beginning he knew was in doubt.

By the same reasoning, the agent who is afraid to face realities with a client and who tells him that a doubtful claim is covered and will be paid, has endless difficulties with the claim department and loses the respect of his client when he eventually must inform him of the company's refusal to pay. Even when he is successful in getting his company to overlook the difficulty the client gives him no credit but feels that the claim was in order and should never even have been questioned.

Automobile Field

This situation arises more frequently in connection with automobile property damage claims than with most other forms of coverage A great many automobile owners carry in their minds the thought that property damage is "collision insurance" for the other fellow, and that whenever an accident occurs the company should immediately issue a check to the other party covering his damage, regardless of whether or not there was fault on the assured's part. The agent can aid the claim department greatly by fully explaining the property damage feature at the time he sells the contract and again when he receives such a claim from his client. If he fully convinces his client that the question of legal liability only governs the payment of the claim, the claim department at least is off to the proper start in handling the matter.

Assurance from the Agent

Many claim departments frequently call upon the assistance of agents of this type in connection with the adjustment of a claim where the assured is unwilling to follow the view of the company. It is remarkable how many times assurance from the agent that the company's position is correct will influence the assured and complete an adjustment satisfactory to all parties.

Each company must expect to receive its quota of the different kinds of people that make up the

world, and nowhere do each individual's characteristics assert themselves in such a pronounced manner as upon the occurrence of a claim. Particularly is this true with respect to claims concerning automobiles. Many claim men, from their contact with automobile owners, have formed the conclusion that the automobile is the most highly prized possession.

Since the claim department is called into action when trouble develops, it is not at all surprising that all claims do not end happily. The agent must expect that to happen but he also has a right to expect that the utmost courtesy, diplomacy and intelligence shall be exercised on the part of the claim man in quelling any dissatisfaction that may arise.

On the average, much better service can be rendered by the claim department if the assured is instructed to make his first report directly to the company. The agent cannot place too much emphasis on the necessity of prompt and complete reports, for the more promptly the claim department gets on the job the more satisfactory will be the service rendered. Particularly is this true of personal injury claims under liability policies, for in the larger cities where cases are quickly followed up by "ambulance chasers" or "runners" for certain attorneys who handle this class of litigation, a delay of a day or two may seem of no consequence to the assured. But that delay may change a non-liability case into a dangerous case for both the assured and the company.

The particular type of lawyer who handles these claims does not procrastinate. His effort is directed toward securing a contract from the injured party, permitting him to act as attorney, and he is able to accomplish this more easily if through delay in reporting the case, many days elapse before the company has an opportunity to know of the accident. The agent should also be careful to instruct his assured to report every accident, however slight, for many of these so-called slight accidents later develop into serious matters.

"Divided" Coverage

In many instances, on motor cars, liability insurance is carried in one company and collision and property damage is carried in another. Property damage is a feature of coverage that follows the liability portion of a contract and it should always be covered in the same company that carries the liability section if the agent is to save himself trouble.

If the coverage is divided the agent should see to it that both companies are advised of every

Notification of Claim

THE FOLLOWING CASE illustrates the danger that may occur from lack of notice to both carriers, where insurance is carried in more than one company.

A small trucking concern in Chicago carried liability insurance in one company and collision and property damage in another. One of its trucks collided with a streetcar, causing damage to the streetcar and serious damage to the truck.

The matter was reported to the agent, who notified the company carrying collision and property damage insurance, but did not notify the liability company because nothing with reference to personal injuries was mentioned in the accident report.

Almost two years later the assured was made defendant in a personal injury suit growing out of the collision. A passenger on the streetcar had suffered severe injuries and originally brought suit against the streetcar company but lost his case. The attorney who had the case originally did not consider that there was any liability on the part of the owner of the truck and stated that he would willingly have released the owner of the truck upon the payment of a small sum. Another attorney subsequently got the case and filed the suit mentioned above. He secured a verdict of $15,000 against the assured, and the payment of the judgment above the policy limits seriously impaired the financial standing of the trucking company.

accident, regardless of whether it appears that the accident involves coverage in only one company.

GET ACQUAINTED

Every agent should make an effort to get well acquainted with the members of the claim department. He should make every effort to be cooperative with the claim department whenever an accident arises on one of his risks. The claim department will be more than appreciative when an agent goes out of his way to assist in the handling of a claim; when he gives all possible information about the situation and, so to speak, lays his cards on the table face up.

Very quickly the claim department forms its opinion of each agent and it is human nature for the claim man to do those extra things for an agent that are not within his regulations but that are so helpful in the production and retention of business. He can and will go far out of his way to do many things for an agent who he knows is likewise understanding and helpful to him when he himself has his difficulties. Close cooperation between the agent and the claim department can be productive of nothing but good results to everyone concerned.

Today as never before the claim department of a company regards itself as identified with the production efforts of the company,

and the greatest satisfaction that the claim department can have is to know that its service has been responsible for the renewal of some important line of the agent's business. When this happens, through extra efforts on the part of the claim department, it will do no harm for the agent to express appreciation to all concerned.

The claim man knows the contracts of his company thoroughly and therefore often is able to be of service to the agent in advising him as to coverage on important and complicated matters. From experience and observation he is even more familiar with the exposure to hazard than is the underwriter. He must keep in touch with the ever-changing court decisions that frequently cause drastic changes in underwriting and the claim man can suggest new avenues of solicitation opened by these same decisions.

He can also be of help in analyzing the assured's needs as to coverage, limits, etc., after the occurrence of an accident. Then he can bring those matters to the attention of the agent and can help him with the assured in selling proper protection. Even when he is settling a third party claim he can do it in such a manner, without excess payment, that will leave the mind of the claimant open to solicitation from the agent of his own company.

Higher Limits Needed

A Western agent sold an automobile public liability policy, in limits of $5/10,000 on a truck owned by an independent contractor in which the assured's name was added.

The driver of the truck had an accident, resulting in a claim for three deaths, which left the assured high and dry in not having higher limits under the policy. The agent should have sold a minimum of $10/20,000, $25/50,000, or up to $50/100,000, at only a slight increase in premium.

Sing Sing

Cop: So you do bird imitations, eh?
Crook: Yeah. I was just doing a little robin.
— Mercury

¶ Indemnification after the Accident or Prevention of the Accident Itself?

Let the Prime Consideration Be to Promote Greater Safety

Strong Financial Responsibility Law Preferred to Compulsory Insurance

WHEATON A. WILLIAMS

★ ONLY 30 per cent of automobile owners buy automobile liability insurance! For several years we have heard this remark. Sometimes it has been uttered by insurance men who are trying to show agents a large untouched market. It is also made by those who propose that the carrying of such insurance be made compulsory.

The reasons given for this condition have been many, but in most instances the insurance agents have been blamed for a sloppy job of salesmanship.

By interviewing many car owners the past few years, I believe I have learned the real reason why so few carry automobile liability insurance. It has been surprising to discover that many not now insured, would like to be. The following part of an interview is a typical illustration of what was said by many of those questioned:

"Of course, I would like to carry liability insurance, but how can I? You see, I only get $30 a week. I'm married and we have a little girl. Then, too, I support my aged mother who lives with us. I budget my salary, not because I want to, but because I have to. When you buy a package of cigarettes you think nothing of it but when payday comes I have to figure out just how many I can buy the following week. On such a program how can I afford to spend $4.00 a month for liability insurance?"

To hear what the answer would be I have said, "Well, then you really cannot afford a car, can you?"

The comeback has been frank enough. "Of course I can't, but on the other hand I can't afford to be without one. I live out in the suburbs where the rent is low and if I didn't have a car to take me to work; I'd have to get up two hours earlier every morning, walk a

mile and a half to a street car, and then ride an hour before I got to within walking distance of the office. It would be the same story going home at night, so when could I spend any time with my family? Then, too, by owning a car I can take my old mother out for an airing on Sunday and on hot nights in the summer time. You see, she can't walk but a few steps at a time. I've driven a car for ten years without scratching a fender, so I'm not hurting anyone by being uninsured."

After hearing similar stories a great many times I did a little research work, and from several sources I received the same information: 66⅔% of the motorists of America have incomes of less than $35 per week. Do you see how this figure corresponds with the number of car owners who insure their cars? About one third buy liability insurance and about one third make more than $35 per week. Obviously, those who can spare the money are protecting themselves and those who can't are "taking a chance."

The advocates of compulsory insurance will probably say, "There, you have proved our point. These poor people should be made to carry insurance or if they can't afford it they should quit driving their cars."

That, of course, is a very smug attitude and is kindred to the thought, "My wife can wear silk stockings but yours shouldn't because you can't afford them."

An automobile is no longer a luxury for the masses. It is a necessity and in hundreds of thousands of cases today a man has no

WHEATON A. WILLIAMS

more chance of getting and holding a job if he doesn't own a car than did the poor man some fifty years ago who didn't own a pick and shovel or a wheelbarrow. Clearly, the man who cannot afford to buy automobile liability insurance voluntarily will not find it any easier to buy a policy forced on him by law.

What then, are we to do? Thou-

sands and thousands of people are being killed and injured on the highways who aren't getting paid for it and if the deductions just made are anywhere near correct, the major portion of the motorists cannot afford insurance to provide such payments.

Cause *vs.* Effect

A little thinking might bring us to realize we should concentrate on the cause of automobile accidents rather than on their effect. What *causes* the problem is the recklessness of a small proportion of our motorists; the *result* of the problem is the larger number of people injured and killed.

How then can we correct the actions of those few who seemingly have no regard for the safe-being of others? Will an insurance policy in the hands of those who never have accidents correct the situation? Obviously not.

The citizens of Waterbury, Connecticut, Worcester, Massachusetts, Evanston, Illinois, and other cities throughout the United States have shown us what can be done by the three "E's": Education, Enforcement and Engineering. In such towns, accident frequency and severity have been reduced as much as 50%.

Use of these three facilities cannot be had for nothing.

Education of the motorist so he will become safety conscious is an arduous task which can be accomplished only by the establishment of safe driving schools, continuous publicity, and by other kindred means.

Enforcement is effective only when there are sufficient traffic officers, no political interference, and uniform traffic regulations in all the villages and cities of the state as well as on state highways, all of which must be backed up by a public opinion which is in full accord with the program, the latter being developed through planned propaganda.

Engineering involves construction of under and overhead passes, removal of dangerous curves and of narrow bridges and construction of four-lane highways with physical barriers between the lanes carrying cars traveling in opposite directions.

Worth the "Cost"

It costs money and lots of it to maintain a propaganda center and safety schools.

It costs money to have adequate policing facilities.

It costs money to have proper highway construction.

Yet all of these costs combined are but a drop in a bucket compared with the cost of compulsory automobile liability insurance. As long as it has been demonstrated

that such a program will bring about results, it would seem the sensible thing to do, before forcing motorists against their will to purchase insurance they cannot afford and which will not prevent slaughter on the highways.

Even after such a program is put into operation and is found to work successfully, we will still have unavoidable accidents. But by that time insurance rates would be reduced because they are based on experience — the fewer the number of accidents, the lower the cost of insurance. Then the low-income car owner will be able to afford to buy insurance voluntarily, thus eliminating the un-American plan of compulsion and all of the attendant evils such as we experienced under Prohibition and under the NRA.

During the period when the program of education, enforcement and engineering is being made effective and even after it has proved its worthwhileness, a strong financial responsibility and drivers' license law can be operating to remove from the road those citizens who refuse to cooperate with the general program. Such a law is no burden on the considerate motorist no matter how rich or poor he might be. But it *will* penalize the man who is a menace to those who do have consideration for their fellow man.

Education, enforcement and engineering is a humane program because it will save human lives. It is a far less costly program than compulsory insurance. It is an American program because it does not interfere with the choice of any citizen. It is a Christian program because it is based on the Golden Rule, "Do unto others as you would have them do unto you."

The License Plate

I used to like a license plate
To correspond with house or 'phone,
A number low, unique, ornate,
One I could have and call my own.

But to this plan I'm now averse,
With me such numbers are taboo:
I saw, on a mortician's hearse,
A number plate that read "U-2."

— Sam Dorsey, Des Moines.

¶ Recent Changes Add to Popularity of Coverage

Everyone Has a Liability Exposure

— and Everyone Should Know About the Protection That Is Available for This Exposure

A. N. GRAVES

★ The public is becoming claim-minded. Many persons who are injured would not bring claim except for friends who suggest it to them. Others bring claims because of suggestions of unscrupulous attorneys.

The public has been educated to expect damages for injuries by legislation on workmen's compensation, compulsory automobile insurance, financial responsibility, maximum recovery for death, etc. It is surprising to note that in some areas the number of claims on general public accidents exceeds the number of auto personal injury claims in spite of a much lower premium volume in the "other liability" lines. Admittedly, these are facts which may cause concern in claim circles, but they do indicate the popularity of such coverage.

Does any line present a wider range of possibilities than one in which you can cover anything from a golf swing to the erection of a skyscraper? The man who owns no car is scarcely a prospect for automobile insurance, but he must live somewhere and in so doing creates a hazard which a residence liability policy can cover. A man would scarcely buy fire insurance on a vacant lot; but he does need liability coverage.

Everyone has a liability exposure. Changes in rules and coverage usually aid an agent to sell a line. Here are some of the changes which have been made in the other liability lines in the past two years:

(1) Residence classification broadened to include structural alterations; new construction and demolition; and coverage for individual or family cemetery plots or burial vaults, among other things.
(2) Personal activities classification includes liability of insured while residing temporarily in premises not owned by him.
(3) Most OL & T classifications now rated on an area basis only.
(4) Reduced charges for increased limits on OL & T classifications.

(5) Property damage minimums lower.
(6) Availability of medical aid coverage on employer's liability classifications for domestic employees.
(7) Changes in additional interests rules.
(8) Introduction of schedule policies.
(9) Inclusion of coverage for injuries arising from pickup and delivery.
(10) Inclusion of coverage for injuries arising out of bicycles, handtrucks and push-carts (except a few classifications).
(11) Coverage now included for existence of tools, abandoned and unused materials, and uninstalled equipment.
(12) Elimination of exclusions under property damage coverage (property of employees, damage caused by boilers, engines, flywheels, etc.).
(13) Coverage has been made available for liability of owners after sale of property.
(14) It is possible to purchase a family golfers' or sports liability policy.
(15) A form of coverage was introduced principally for newspaper publishers to cover injuries sustained by newsboys and employees who are independent contractors engaged in the distribution and sale of newspapers, and adaptable to the needs of employers engaged in other lines of endeavor where a similar relationship exists.
(16) Comprehensive liability insurance covering all risks of a named insured is obtainable.

In view of the trend of the public to bring claim for injuries and the open-handedness of juries in damage suits, it is well for everyone — be he householder or manufacturer — to become familiar with the advantages of the various liability insurance coverages.

Each to His Own Kind

Let each of us, company, agent, or broker, decide exactly what sort of a company, agent, or broker he is, or is about to become, and then let each do business with his own variety. After all, our job, primarily, is to serve well the public, and I believe that the buyer of insurance has very little use for the individual, the agent, or the company, who attempts to be all things to all people. When Mr. Public wants insurance, he wants to buy it, I think, from a man who really knows his business; and is therefore qualified to give him good advice, whose faith in what he offers is unbounded, and who firmly believes that the insurance he sells, plus the service he gives with it, is worth the price. — William D. O'Gorman, President, National Association of Casualty and Surety Agents.

SMILING AT OURSELVES

"What do you have in the way of accident policies?"

"I'll notify my insurance company and you find out which ones are damaged and which are meant to look like that."

Obeying That Impulse

"You may go back and tell Mr. Whiffletree that now *I'm* too busy to see him!"

"Pascha would like a policy which allows a thousand beneficiaries!"

Production Value of Conservation Work

Conservation Efforts — Prevention, rather than Mere Compensation for Losses — Makes Insurance an Instrument of Economy

WALTER S. PAINE

★ THE economic and social trend of business in the United States during the last few years has been a disturbing experience to practically every phase of commercial enterprise, and no class of business producers has had to utilize every resource at its command more than the insurance salesmen. Those producers who have learned various approaches to business, in addition to the rate book alone, have weathered the storm in fairly good shape while the salesman with the single track mind has been swamped or has barely navigated to shore without much of his cargo left.

Too many agents are still selling insurance on the old-fashioned basis, looking upon insurance merely as an institution of great social and economic force with a vast reservoir into which policyholders pour millions of dollars and from which millions of people draw monetary compensation for loss of life, health and property. They think that the company which pays out the most money is considered the biggest and most substantial insurance company. Even some insurance companies themselves boast in their advertisements about the amount of money they have paid out over a specific period of years.

During the earlier stages of our national development society was in need of a system of insurance which would distribute equitably insurance resources to take care of disasters. This is an important function of insurance, although people seem more and more to rely upon the Federal and State Governments to assume the consequences of their misfortunes.

I believe if insurance is to continue to grow and best serve its purpose, our efforts must be turned toward the prevention of those human disasters as far as possible, and through the reduction of losses assist in stabilizing insurance costs and bring them

to the lowest economic level. Emphasis *has* been laid on losses and the compensation for losses! But, we are now in a new social and economic era when all insurance representatives must give increased attention to the fact that more time, energy, intelligence,

WALTER S. PAINE

scientific thought and dollars must be placed on the *conservation* of life, health and property, so that fewer dollars will be needed for destroyed property, impaired health, personal injury, disaster and death. It is only through media such as these that we are going to meet the demand for lower premium rates and more insurance protection for the general public.

Examples

Steam Boiler. — One of the best examples of what can be accomplished through conservation efforts from the standpoint of prevention rather than from the viewpoint of compensation for losses is the results obtained by the steam boiler insurance companies.* Their results show a loss ratio of about 15% of premiums in claim payments, but the companies writing this class of business spend 40–50% of their premium income on steam boiler protection and prevention work.

This procedure indicates the complete answer to the question of obligation of insurance to society in addition to relieving financial burdens due to loss of life and health, and loss of property by fire. Efficient service has proven it can reduce losses, and through these results has made it possible to bring the rates for insurance to a lower economic level. It is through this avenue of approach that insurance will be made a greater asset and still more completely

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* For additional information on steam boiler and machinery see THE CASUALTY AND SURETY JOURNAL — "Boiler Insurance," by D. W. Little, Sept., 1940, page 16; "Harnessing Steam," by T. G. Hendricks, Dec., 1940, page 23; "A Bird's-Eye Picture of the Boiler and Machinery Contract," by Harold J. Badum, in this issue, page 46.

justify its existence in the economic scheme of the nation.

Automobile. — The greater the extent to which insurance becomes an instrument of economy rather than an economic burden, its sale is promoted. Automobile insurance is burdensome at the present time, which accounts for the fact that there are sections in the country where less than 25% of the automobiles are covered by any kind of insurance. Nothing will solve this problem until we are in a position to lower the loss cost of this type of insurance protection. This is primarily a police problem and cannot be solved by insurance whether voluntarily purchased or purchased under compulsion of law, but insurance interests can help correct it by the application of safety engineering, planning and inspection, especially with respect to trucks and fleet risks.

Workmen's Compensation.—Some insurance buyers consider that their workmen's compensation costs are unnecessarily burdensome; that they constitute a more costly assessment against industry than is really warranted; and that too much time is spent in buying and selling from the rate point of view alone.

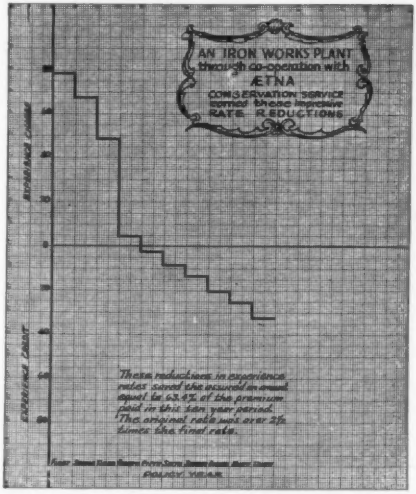
Would it not be more effective to sell the assured or the prospect the idea that there is a way out of excessive costs through a well organized conservation program with a substantial insurance company by means of which his losses will be reduced through the application of engineering principles and practices designed to increase his production and reduce those losses direct and indirect which are due to accidents?

Our chart illustrates what this type of approach to the problem means to industry in the way of direct and indirect costs from the viewpoint of workmen's compensation, and it should drive home to us the magnitude of this problem which industry confronts.

Time for Action

Her husband, she told the divorce court, had (1) fractured her jaw, (2) struck her ear, impairing her hearing, (3) knocked out two teeth, (4) dislocated her spine, (5) injured five ribs, (6) struck her eye so that five stitches had to be taken, (7) fractured a bone in her right hand, and (8) inflicted other "minor" wounds and abrasions. "After all these things had happened," said the plaintiff, "it suddenly occurred to me that it was unsafe to live with him."

Take the actual cost of claims, medical service and hospitalization arising out of industrial accidents and you have a justifiable and illuminating estimate of about one billion dollars spent annually for compensation costs. If we add to this amount the indirect losses to industry through spoilage of material, stoppage of work, loss of orders, lowered morale and various other inefficiencies, we have two to four times the amount accruing from indirect insurance costs. The total amount annually of avoidable industrial costs must be about three billion dollars. This amount is far greater than the fire losses of the country and at least 5% of the net value of our manufactures.



The successful insurance salesman will turn the attention of his insurance prospect to this enormous waste in industry which means so much to him in the way of domestic and foreign competition, rather than spend hours of irrelevant discussion over a small dividend which often has been delayed through the payment and return of premiums collected on an unwarranted rate basis, primarily because the participating insurance carrier has allowed the rate to seek a high level that never would have been attained if proper conservation service had been carried out on the specific risk.

This service, being technical, calls for technical minds with extensive practical experience. Practical experience in solving engineering problems enables the insurance engineer to identify and remedy plant difficulties endangering life and property, and to develop properly planned safeguards and approved methods of operation, thus bringing about a definite reduction in accident frequency and severity with a substantial reduction in plant overhead costs.

Efficient accident prevention also results in lessening privation and suffering and in the conservation of human resources. The annual death total from accidental industrial fatalities in this country approximates 20,000 lives. Non-fatal injuries run into the millions. Motor vehicles exact an even greater toll than the industrial accidents, and injuries to the general public cause an additional mortality of many thousands each year.

Engineering for Conservation. — The last ten or fifteen years have seen tremendous progress in the field of engineering and conservation originally established as a means of discovering and correcting the new glaring departures from the then recognized safety standards. Safety engineering has now developed specialists in many branches, including mechanical, electrical, chemical, marine, automotive, construction, elevator, hygienic, aircraft and mining engineers.

As in any profession, continued study and research is necessary to keep abreast of the times for, as industry advances into new fields, new potential hazards are revealed for which compensating safeguards must be developed. Even better than offsetting hazards is so planning the required production machinery and processes that possible hazards may be excluded or at least kept at a minimum. It is here that the insurance engineer has his greatest opportunity.

CONSERVATION through the application of engineering planning and procedure is a vital step of the modern insurance company schedule in the fulfillment of its obligation to society to reduce human suffering and economic losses from accidents. This is the service at the same time designed to reduce underwriting losses of the company due to accidents, yielding a substantial reduction in ultimate cost of insurance.

In the vanguard are technical minds who apply their learning to practical problems. Also, every imaginable problem concerning the safety of industrial workers is studied; tests are made in the laboratory and in the field to determine true conditions; and recommendations presented incorporating the resultant findings.

The problems, being technical, require the use of technical minds capable of making scientific analyses and deductions. As mentioned earlier, engineering is highly specialized. An electrical expert, for instance, is best qualified to determine the suitability and safety of various electrical devices, and a

chemist alone is capable of passing judgment upon the chemical hazards inherent in a production or process.

Practically every exposure to dangerous fumes, dusts and gases presents an individual problem which challenges the vision, technique, knowledge and practical experience of the field conservation engineer.

Accomplishments

The most successful insurance agents are those who have utilized resourcefully every item of service given by their insurance carriers. These successful agents do not allow their interests in the conservation work to end when they make the proper contact between the engineer and the executive officials of their assured's organization. They know that the engineer continually keeps them informed as to developments on the risk, especially relative to such features which have a real bearing on conservation work of their client.

They frequently contact their client and aid the engineer in keeping the concern actively interested in all types of conservation work and, at the same time, keep the engineer posted as to the attitude of management and personnel so as to develop the most interesting and efficient conservation problem possible.

The agent knows that through his interest in the engineering service, he is continually aiding his interests with the risk and the officials of the risk which he is insuring, and thereby he enhances his opportunity of retaining the business. Furthermore, he knows that this contact will give him new leads to the writing of additional insurance lines.

Any insurance agent who has this broader vision of insurance and its problems and is continually utilizing the service departments of his insurance company cannot help but be an asset to the organization which he represents, to his client whose interests he should be protecting and, at the same time, building up a profitable business for himself. Conservation work has proved its value in the promoting, salvaging and retention of business.

Tactics

"Company, attention!" bawled the drill sergeant to the awkward squad. "Company, lift up your left leg and hold it straight in front of you." By mistake one member held up his right leg, which brought it side by side with his neighbor's left leg. "And who is the galoot over there holding up both legs?" shouted the hardboiled sergeant.

DENVER. — The Plantation Pie Company of Denver gets in a nice little plug for its products and issues a traffic warning at the same time by putting this sign on the back of all its trucks. Photo used through the courtesy of Business Week.

NEW YORK. — As a result of the prolonged discussion concerning fees to be paid for the use of copyrighted music over the radio waves, Broadcast Music, Inc., the broadcasters' own musical organization, early this year took out a rare form of coverage, copyright infringement insurance, with coverage to the extent of one million dollars.

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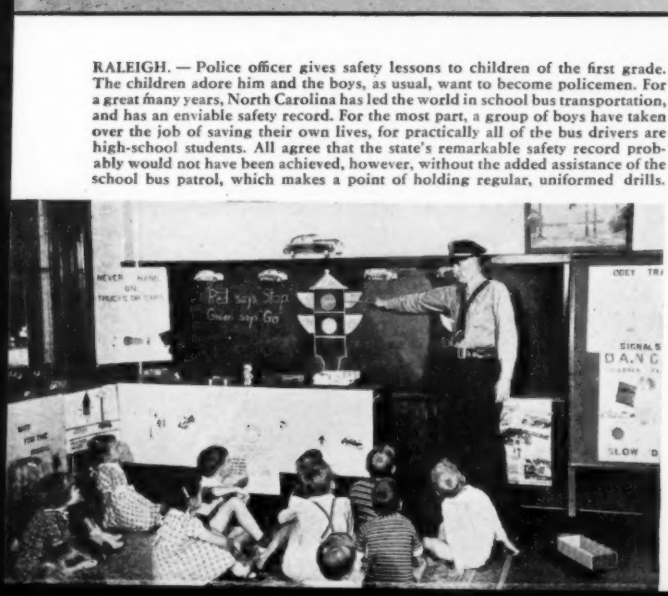
THE NEWS I

RALEIGH. — Police officer gives safety lessons to children of the first grade. The children adore him and the boys, as usual, want to become policemen. For a great many years, North Carolina has led the world in school bus transportation, and has an enviable safety record. For the most part, a group of boys have taken over the job of saving their own lives, for practically all of the bus drivers are high-school students. All agree that the state's remarkable safety record probably would not have been achieved, however, without the added assistance of the school bus patrol, which makes a point of holding regular, uniformed drills.



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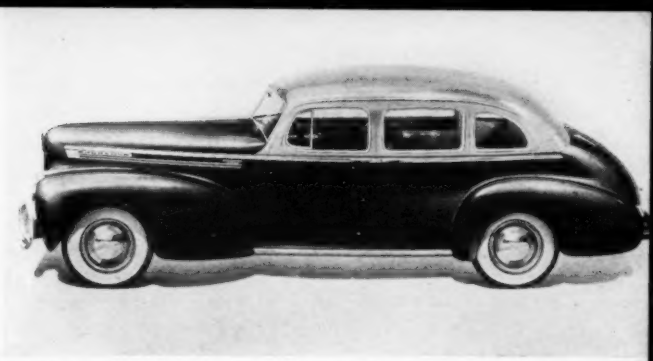

DETROIT. — Hudson was the winner this year of Safety Engineering magazine's trophy for safe body design, awarded on basis of these fourteen points: (1) Front vision, (2) Rear vision, (3) Rear fender, (4) Front fender, (5) Radiator ornament, (6) Tail lights, (7) Windshield wipers, (8) Robe rack, (9) Padding rear of front seat, (10) Dash knobs, (11) Protruding handles, (12) Metal gadgets, (13) Accessibility of parking brake, (14) Projecting dome light. This year's award is said to represent the first perfect rating in safe automobile body design since the magazine began making its annual impartial appraisal of automotive safety factors.

IN PICTURES

RK CITY—Her patience taxed? e is Miss O'Neil, a fair mo- ping back to her car, momen- sted by a somewhat unusual sign by the owner a gas station here. tion operators claim that nearly every dollar taken in for gasoline nded over to taxes. (*Acme Photo.*)

CHICAGO. — Said to be a boon to the merchant is this "bandit-proof" chair designed especially for the use and protection of cashiers. Here the demonstrator, Miss Frances Horowitz, shows how money, in the event of a holdup, can be dropped quickly into a heavy steel triple-lock deposit box which is placed under the seat. (*Acme Photo.*)

BOSTON. — In an effort to check at least a portion of America's automobile fatalities, police of the Hub of the Universe fly a Jolly Roger flag from their station houses for 24 hours, following a fatal automobile accident. (*Acme Photo.*)

¶ Influence Not Measured by Circulation Alone

The Value of the Insurance Trade Press

No Salesman Can Know His Field Properly or Cover His Territory without Careful Reading of His Weekly and Monthly Trade Publications

AVERELL BROUGHTON

★ I wonder how many of us actively engaged in the insurance business or working with and for the industry take full advantage of the service, guidance and information offered by the many publications which make up that important group of business papers referred to as the Insurance Trade Press? It is a commonplace in most industries that no salesman, sales manager or advertiser can pretend to know his field or cover his territory without a careful reading of his trade publications. In some of the older businesses of this country individual publications are almost the bible of the industry. And, if we will be practical enough to consider the theatre and motion pictures as an industry, which they certainly are, if you mingle with theatrical people you will hear them refer to the bible in their conversations and you may be slightly startled to discover that they are referring to Variety. In fact, the strange language in which Variety appears has caused one actor-manager recently to say he spoke four languages, English, French, German and Variety.

Editorial Influence

The contribution that such publications make to the unity and group understanding in any field is best understood by first-hand experience. And the power wielded by the editors of important trade publications is often considerable since they have at hand the means of influencing important sections of opinion both executive and sales which can hardly be reached by any other direct means.

And just as Iron Age, Variety, Drug Trade News, Food Field Reporter, Editor and Publisher, and dozens of other publications speak, live and write the special language of their respective businesses, so does the insurance trade press in its many aspects reflect the life, growth and activity of insurance.

No one of the insurance trade magazines has large circulation in terms of comparison with the more important papers in a few very active and large national fields. Drug Topics, for example, is a weekly of more than 60,000 circulation. But the combined circu-

AVERELL BROUGHTON

lation of eighty odd insurance publications completely covers the field. Thirty-five or forty, perhaps even more of these publications, will frequently be found on the advertising schedule of one of the larger insurance companies which makes a definite effort to reach all the agents of the country. There are forty-seven insurance publications listed currently by Standard Rate and Data and many smaller regional or local publications which are not listed in the national directories but nevertheless do a useful job in their own territories.

Influence Not Measured By Circulation Alone

What the leading journals of the insurance field lack in circulation they make up by reaching the most alert, progressive and successful agents and brokers in the field. I do not wish to imply that the circulation of individual publications in the trade press is not substantial — for it is — but I believe their influence to be greater than a study of their circulation alone might suggest to one who is used to the tremendous figures reached by general publications. And as these publications go weekly or monthly to various groups, they convey a stream of information and education which shapes thinking, action and performance for thousands of agents.

There are only a few national publications in the insurance field, which is natural, since insurance operations are to a great extent localized. The interests of the insurance men working in the northeast and the southwest, for example, are basically similar, of course, in many important respects but they are also different in many items of immediate interest such as local legislation, local insurance

happenings, and news events which affect local insurance business. It is a tribute, therefore, to the national insurance publications that they should be able to interest so many insurance men in various parts of the country.

I can usually gauge a man's interest in his business and knowledge of general affairs in the field by a conversation about the insurance publications which he reads. When he subscribes to one or two and more or less regularly sees several others I find him well-informed, alert and interested in the general progress of insurance matters. He is aware of trends in insurance and government that affect his interests. And frequently he has taken advantage of changing conditions and greatly increased his income and business growth through the direct help of his insurance papers. Many agencies subscribe to all papers which have any bearing on the business done in their territory and circulate them among the office staff. Home offices usually maintain an insurance library in which most of the leading trade publications are available.

Importance to the Advertiser

Aside from subscription income the chief revenue of the insurance trade press is received from advertising inserted by the various insurance companies who wish to keep their name and sales message before the agency group and the insurance world in general. This is not the place, perhaps, to discuss this advertising nor how well it is conceived and executed. Many companies make full use of their opportunities and run effective and interesting campaigns. I believe, however, that there are many others who do not take advantage of the opportunities offered by the insurance trade press to the full extent possible. I have on occasion felt that this might be in part the fault of the trade press itself because of its failure to educate certain key executives to the possibilities before them. However, I believe this situation has changed for the better in recent years.

What the Insurance Trade Press Can Do for You

Sales managers in other industries insist that new salesmen study the trade press of their field and come to learn the business through it. And every young agent, just beginning to speak the language of insurance with his colleagues and translate that language to his customers, can and should profitably spend several hours a week on the leading insurance publications of his terri-

tory. There he will find news about the insurance people in his area. He will have chronicles of important happenings, business and social, in the insurance world. He will come to know the names, faces and activities of insurance leaders. He will begin to feel a real community of interest with his fellows and the American Agency System will come alive to him as a great operating force in the life of American business and family protection. After a time he will surely form his own habits of reading and turn naturally to the individual publications which he prefers for the things which are of special interest and value to him. And the habit, once formed, will persist throughout his business life. And he will not think of starting on his day's work or week's program without checking up on himself and the industry.

Helpful Continuously

To the older man the trade press is also a source of inspiration and information. Because he is busy and carrying more weight and responsibility he tends to neglect his favorite insurance journals from time to time, but I have never spoken to a really successful field man who did not acknowledge their value and say that he wished he could spend more time in keeping abreast of affairs through them. Many take them at home, so as to be free to read them evenings or week-ends.

What Are Insurance Editors Like?

I know many editors of the leading insurance publications — not all of them nor as many as I should like to know personally — but a very substantial percentage. And I can say, without reservation, that in my experience they are a sincere and intelligent group with, in many cases, a selfless devotion to the cause of insurance and the welfare of their subscribers. The quality of insurance editorial work is very high considering the relatively slight financial return possible. In fact, I have often wondered at the effort and energy and devotion put into the editing of fine publications which do not have, all in all, more than a tiny fraction of the income of publications in the general field, which possess comparable editorial staffs. Yet I believe that there is no body of men in the entire insurance industry, and this does not except company executives, who wields individually or collectively a greater effect upon the thinking and actions of the agent and the fortunes of the insurance industry.

And it is as a supplement to this great body of active and in-

formed editorial opinion, local news and specific service of various groups and sections that THE CASUALTY AND SURETY JOURNAL brings its nationwide contribution on a basis that could hardly be possible commercially speaking, yet has been carefully designed to avoid competition with the insurance trade press which it understands and respects as a contribution of major value to stock insurance.

Premium Notice

a là Chinese

Esteemed prospect

Kindly refrain

From joining ancestors

While insignificant premium

Reposes in offending pocket

Since meantime

Honorable family

Not company

Holding burlap.

By RALPH HUDNUTT in "The Radiator"

MEMORABLE SALES

INTERVIEWS

"Veni Vidi Vici"

OL & T—Public Liability

EARL JOHNSON

AGENT: Mr. Allen, they told me at the office that you had left word for me to come by.

PROSPECT: Yes, I did, Earl. I wanted to talk to you about public liability insurance on my store. I remember that several of you agents have tried to sell me a number of times, but there are so darned many kinds of insurance that you just can't buy all of them and stay in business. But I was reading in the morning paper where some woman was awarded $12,000 damages against a store here in town, claiming that she had fallen in the store and injured her back. That started me thinking.

AGENT: Yes. I saw that. About 10,000 other people saw it, too, and it puts ideas into the heads of every one of them.

PROSPECT: Well, it's nothing but a racket and something ought to be done about it.

AGENT: I know one thing you *can* do about it and that is insure yourself against such claims.

PROSPECT: Well, tell me something about it. What does the policy cover? What's it cost and all that?

AGENT: It covers such things as we were just discussing; that is, any bodily injury as the result of an accident to the public on or about the premises, either in the store or on the sidewalks, and alleys adjacent to the store. But that's not all. It covers claims caused by your employees who are on your business away from the premises. Suppose one of your delivery boys should leave one of

your baskets on the steps of an apartment house while he went in to make a delivery and someone should fall over it. That would be covered, too.

PROSPECT: This policy wouldn't cover my delivery trucks, would it?

AGENT: No, it doesn't cover automobiles, but don't you have some bicycles that you use for quick delivery in the neighborhood?

PROSPECT: Yes. I have two bicycles, but have a separate policy on those. I think it costs me about twelve or fifteen dollars a year.

AGENT: But you won't need that policy any more, for bicycles are now covered with no additional premium under the new OL & T policy. That's one of the new provisions just put in the policy recently. And haven't you a separate policy on that electric sign that hangs out there over the sidewalk?

PROSPECT: Yes, I got kind o' worried about that a year or two ago and bought a little policy to cover me if it should fall and injure someone. Think I pay five dollars for it.

AGENT: Well, you won't have to carry that, either. That's covered also under the OL & T policy.

PROSPECT: What about claims on account of the goods I sell? Suppose one of my customers should claim that she was made sick by some meat she bought from me?

AGENT: I'm afraid that wouldn't be covered. That's what we call products liability insurance, and

EARL JOHNSON

I'd like to talk to you about that, too. It's much cheaper than it used to be. As I recall it, the rate on retail grocers has been greatly reduced. Now, if one of your customers should buy something from you — say a soft drink of some kind — and drink it in the store and later claimed that it made him sick, then that would be covered under the OL & T

policy because it covers any product sold by you if it is consumed on the premises. But after they take it away from the store, then there is no coverage, unless you have the products liability coverage which I just spoke of.

PROSPECT: I'll tell you something that happened to me about six months ago and I'd like to know if there is any insurance against a thing of that kind. I sent our collector to see a man who had been owing me a bill for quite a while. He got mad with my man. One word led to another and it ended up by my man knocking out four of the customer's teeth. The customer tried to make me pay for it, had a lawyer write me letters threatening to sue me and all that. I haven't heard anything from it lately and I hope it's all over, but what about a thing of that kind?

AGENT: This OL & T policy that we're talking about protects you against the situation you just described. It's one of the new provisions in the policy; that is, it covers assault by your employees, provided that the assault was not inspired or directed by you.

PROSPECT: There's one other question about this policy. I'm thinking of building an addition on the side of my store. Suppose someone coming along the sidewalk out there should be hurt by falling over the lumber or something of the kind while they're building?

AGENT: It can be covered under your store policy, for a small additional premium. The policy covers ordinary repairs and general upkeep of the premises, but for any structural alteration of the building or new construction such as you are contemplating you have the policy endorsed and pay a small additional premium. The minimum premium for such coverage is $——.

PROSPECT: Well, I think I understand pretty much of what it's all about. What is the policy going to cost me?

AGENT: The premium is based on the area of the store. I'll call you when I get back to the office and let you know the exact premium but should estimate that your premium will run about $—— for bodily injury and $—— for property damage.

PROSPECT: What do you mean, property damage? I don't need any property damage insurance on the store. What kind of property damage could happen?

AGENT: The main reason you need property damage coverage is on account of those bicycles. If you bought just bicycle property damage in a separate policy, it would cost you $——, while in this way you are getting property

damage coverage on all your operations, including the bicycles, for very little more than you would pay on the bicycles alone. We recently had a claim on bicycle property damage where a delivery boy leaned his bicycle against a building and it fell and broke a plate glass window that cost $70 to replace. And there are many times when a lady may snag her coat in your store, or perhaps fall and tear her dress or something of that kind and all this would be covered by property damage insurance.

PROSPECT: All right. If I'm going to take it, I might as well take the whole works, I suppose.

AGENT: There is just one other thing I want to tell you in connection with the public liability insurance on the store: I can add public liability insurance on your home for only $——, if written in the same policy with the store.

PROSPECT: Public liability insurance on my home? For the Lord's sake, why should I have public liability insurance on my home? The public doesn't come into my home.

AGENT: Of course the public comes into your home. Every deliveryman, the garbage collector, every person who passes on your sidewalk is the public, not to

Nothing but the Best

An experience of my own has been a great help in meeting non-stock competition. Some years ago I sold coal in the southern states. It was a good grade of coal but not as good as the best coal.

My price was under this best coal and I had an advantage in freight, but when asked if my coal was as good as the better grades I had to admit that it was not. I harped on price and apologized for my coal all over the South.

I made up my mind then that if I ever sold anything else it would be the best on the market. I think my group of companies are the best in the business and when I meet this non-stock, price-cutting competition I sometimes tell this story, put my policy down in front of the man and tell him that it is the best insurance he can buy, it may cost him a little more but it is the best. I have saved a good many policies with this story. — Galen J. White, Jackson, Ky.

One Never Knows

Boss: You should have been here at nine o'clock.
New Employee: Why? What happened?

— Mercury

speak of every guest in your home. The law makes you responsible for any injury about your home, if there is any evidence of negligence on your part. Do you always keep your shrubs cut so no limbs can strike anybody coming along the sidewalk? Many serious eye injuries are caused in that way. And how about those tricycles and toys your children leave about for people to fall over?

PROSPECT: You say that will cost only $—— additional? And will that cover injuries to my own servants about my home?

AGENT: I was coming to that. For another $——, which will make only $—— in all, we can cover your liability to your own servants.

PROSPECT: Then if one of my servants should fall down the cellar steps, or get her hand caught in the clothes wringer, you'll take care of it?

AGENT: Now, of course, this policy is a liability policy and doesn't work just like a workman's compensation policy, which pays all medical expense and so much per week regardless of any negligence on the part of the employer. In connection with a policy of this nature, it is possible to purchase additional medical coverage of $——, $—— and upward, giving you the right to provide medical treatment that is necessary at the time of the accident, and then protects you and your wife from any claim on account of the accident if it can be shown that there is any negligence on the part of you or your family. And they can usually find some negligence if they try hard enough.

PROSPECT: All right, I'll take that, too. Oh, yes! What about my dog? Suppose he should bite somebody. Is that covered, too?

AGENT: If the dog bites 'em on the premises, it's covered. But if he goes around biting people away from home, then you're going to have to pay an additional premium for that.

PROSPECT: Well, I guess I'll take a chance on the dog, but you can fix up all that other stuff we've been talking about.

AGENT: Thank you. I'll call you and let you know what the premium is for one and three years, for you can save about ——% by taking it for three years.

PROSPECT: All right, let me know just what it all will cost and I'll let you know whether to write it for one year or three.

The reader will note that this presentation might well include reference to elevator liability, personal liability of the prospect, and coverage for hand-trucks and push-carts, if they are involved, as well as bicycles. —ED.

Did You Read———?

Careful Drivers Do Need Insurance

Casualty Insuror

A driver in the state of Washington held out his arm for about 125 feet before he made a left turn. A driver behind him attempted to pass and there was a collision.

The Washington traffic law requires that an arm signal be given for a "reasonable" length of time. It then defines a reasonable length of time as that time required to traverse a distance in feet equal to five times the maximum speed in miles per hour allowed by law during the approach to the point of turning or stopping. The speed limit at the point of the accident was 50 miles per hour. Therefore, the Washington supreme court held that the driver in front had not complied with the law because he had not held out his arm for 250 feet.

How many careful drivers know that trick of the law? Undoubtedly the same law is found in many states, because it is quite customary to copy one law from another. In the Washington case, the driver who held out his arm for 125 feet was held liable for the damages to the car that was trying to pass.

What protection does a careful driver have, except insurance?

Credit and Insurance

The Local Agent

Most agents will agree that one of the biggest long-pull opportunities in the insurance business is growing out of the plan for cooperation of insurance men with credit men, to the end that credit men will understand fully the place that insurance plays (or can play) in the credit picture.

Not One-Line

Rough Notes

A member of the Rickard agency, Canton, Ohio, got to thinking thus: "When calling on prospects and I left a life insurance circular, they thought that was the only kind of insurance we sold." To correct this false impression a business return post card was prepared (3¼ x 5 inches in size). On this card were listed practically all the insurance coverages sold by the agency in sizeable volume, with a place to "vote" for the items in which a prospect might be interested.

"Now we have a great many more inquiries and sell different insurance coverages to our policyholders who did not know that we handled all lines of insurance. In fact," says Mr. Rickard, "this is the best piece of advertising, I believe, we have ever put out."

Several Nuggets of Interest and Help from the Daily Press or Various Insurance Magazines

Business Philosophy

Tom Redden in
The Eastern Underwriter

Many years before I entered the insurance business I appreciated that it was necessary to serve others first. It was this thought religiously applied in all instances that is the most important factor in my life and in the lives of all those associated with me because they are taught the same philosophy. My interest is equal in casualty, surety and fire because the principles I believe in apply to all three. We devote more time to casualty and surety because it is more diversified.

Sale of Small Lines

Ocie Hunt in
The Insurance Magazine

A few years ago I visited an agency that was paying over $10,000 a year in commissions, an exceptional record in a small country town. Curious as to how this agent could develop such a good agency, I asked him to what he attributed his success. He replied:

"The grazing is always good. We never waste our time in haggling over big risks. Everybody is after the outstanding risk but those risks developing $1 to $10 in commissions are either overlooked or ignored."

Taking this advice to heart, I gave some of the smaller lines special consideration and discovered that when we watched the "grazing," we were led from time to time to some of the larger premium risks as well.

Work's Magic

Chicago Daily News

By the sweat of his brow,
Says ancient story,
Man was condemned
To earn his bread;
But the curse of toil
Became man's glory,
And lack of a job
His dooming dread.
Now for the cure
Of woes grown tragic,
Naught is so sure
As work's swift magic.

Something to Wake Up About

— *The Weekly Underwriter*

¶ In Addition to Inspection and Engineering Service—

A Bird's-Eye Picture of the Boiler and Machinery Insurance Contract

Some Important Parts of the Basic Contract, and Features That Often Are Overlooked

HAROLD J. BADUM

★ THE ALL-IMPORTANT inspection and engineering service which accompanies boiler and machinery insurance so vitally concerns us that we often overlook that which makes this service possible — the insurance contract itself.

Casualty-Surety
—No. 1—
Encyclopedia

Not Specific Insurance.—Throughout the past 70 years, developments of boiler and machinery insurance have brought to the present policy-holder a contract offering wide flexibility and broadly covering the exposure inherent to the operation of power and heating plant equipment. There are many who regard boiler and machinery insurance as just another form of property damage coverage, which provides reimbursement for loss to the boiler, engine or other object described in the policy.

Actually, the contract is not designed simply to cover loss to any specifically described object. The policy pays for loss *on all property* of the assured caused by an accident to a specifically described object. The object is described only for the purpose of limiting the *origin* of the accident. The following case as an illustration:

A plant's equipment consists of a boiler, a tank and a feed water heater, but the policy describes only the boiler. A boiler tube explodes and the force of this explosion is directed to the feed water heater, resulting in a complete loss of the feed water heater, with slight damage to the boiler. Provided sufficient limits have been purchased, the total loss (boiler and feed water heater) is covered. If the accident occurred to the tank or feed water heater and damaged the boiler, there would

be no coverage for any part of the loss.

Liability for Property Damage. — The policy, while primarily an indemnity contract, covers loss resulting from liability for damage to property of others. This includes all kinds of property dam-

HAROLD J. BADUM

age liability which the assured is obliged to assume, providing said damage is a direct result of the accident.

Direct Damage Insurance

Basic Procedure. — It is apparent thus that any arrangement for direct property damage insurance should give first consideration to the actual objects to be described. A list of all objects in the plant is secured from a proper survey. Under a boiler contract, this list will include all objects whose contents are confined to pressure; and under the machinery contract the list will include all of the types of machinery which can be insured.

Optional Coverage. — Attention should be given to the various optional coverages, such as steam piping, cracking coverage, furnace explosion and loss of contents. Cracking coverage is necessary only in connection with steam or hot water heaters which are wholly constructed of cast iron, or other similar casting. It is recommended in all cases, except where due to age or obsolescence the value of the entire object is an inconsequential insurance exposure.

In the latter case there will be occasions where leakage of steam or water caused by a crack will damage property other than the boiler and this feature should be considered when the insurance exposure is being estimated.

Furnace explosion includes the explosion of gas within the furnace or other gas passages of a described boiler. Many large losses have resulted from this type of accident, and the boiler policy is the only contract which offers complete protection. Certain vessels under pressure contain valuable materials which are being

processed or stored. Contents coverage should be purchased in connection with all vessels of this type, as the loss of such contents will not be covered unless this optional coverage is included.

Amount of Insurance. — The boiler and machinery policies pay for various kinds of losses in the following order: (1) Property of the assured, (2) Expediting (if included), (3) Liability for damage to property of others, (4) Personal injury (if included).

Naturally the above order of settlement will not be completely followed if the assured does not carry a sufficient amount of insurance.

For example:

If the amount of insurance is $10,000 and the assured's loss is $8,000 for their own property; $3,000 for damage to property of others; and $1,500 for personal injury, then the order of settlement would end with a $2,000 payment for property damage liability.

The amount of insurance under boiler and machinery policies is a blanket limit per accident at each location. It is available for each accident which occurs during the term of the policy. Like other forms of insurance, proper limits is an important consideration often overlooked.

Many rule of thumb methods have been attempted but there is no formula which can be safely applied for producing, in an accurate fashion, the proper amount of insurance to be carried at any particular location. Exposures vary to such a degree that the old-fashioned method of listing property values exposed to the insured hazard is the only safe procedure. In addition to the assured's property, an estimate should be included for property damage liability exposure, and when personal injury coverage is purchased, provision should be made for adequate additions to this estimate.

Indirect Damage Insurance

There are various forms of indirect damage coverages which can be added to the basic boiler or machinery policy.

Expediting. — Expediting coverage is sometimes misunderstood. Contrary to the opinion of many, it has no effect on the assured's desire to expedite the repair or replacement. This coverage simply provides for payment of certain extra costs necessary to expedite such a repair or replacement.

Consequential Damage. — Accidents to specified objects sometimes cause spoilage of property due to lack of heat, power, steam or refrigeration. The coverage

provided is known as consequential damage. Prospects such as cold storage warehouses, meat packing concerns and others who store products which spoil because of change in temperature are interested in such coverage.

Use and Occupancy. — Boiler and machinery use and occupancy insurance, rapidly becoming popular, is written on a valued basis, and the contract is drawn to make available the full payment of the amount stated as daily indemnity for each day that the accident causes a complete loss of production. There is a provision to pay a proportionate part of this daily indemnity for partial loss of production.

This type of use and occupancy insurance is free from all controversy as to the actual amount of loss sustained. The adjustment is based upon the amount of production lost as a result of the accident. The daily indemnity and total limit of loss requires study.

Because this very form of insurance deals with matters intimate to the prospect, it necessarily rests with them to set the proper amount of daily indemnity. A guide to arrive at such an amount should be furnished each prospect as an aid in giving proper consideration to such items as taxes, premiums for all other forms of insurance, royalties, patent rights, essential pay roll, contracts and other continuing expenses plus their net profit.

When the daily indemnity has been properly computed and

Impossible

(*America's criminal element takes $10 a month from each honest citizen.* — News item)

After I settle up for the rent
And the bill at the grocery store
And pay for gas and coal and cement
And shoes and a million things more,
I know it couldn't be possibly true
That I could sustain this theft
From the simple statistical point of view
That I never have that much left!

— W. E. Farbstein in the New York Journal American.

agreed upon, the type of objects to be covered for use and occupancy should be given attention. Objects, accidents to which will affect production, should be properly listed. When considering the listing of these objects, keep in mind those which may not have any direct relation to the process, but which possess an inherent hazard sufficient to cause damage to equipment and property.

An example of such an object is the case of a steam engine generating electricity only for lighting purposes. The electric current needed for such purposes is obtainable elsewhere; consequently the steam engine and its generator are not needed for production. Mounted on this engine is a fly-wheel, and if said fly-wheel violently explodes it may ruin equipment or buildings which are vital to production; hence engine or fly-wheel use and occupancy coverage should be included.

The total limit of loss is estimated by considering the number of days required to restore or replace damaged property. In some cases, such as electric motors, this exposure depends solely upon the ability to repair or replace the object and the total limit for such a classification is set at a lower limit than that which would be selected for objects which may destroy surrounding property.

A good example of this is the plant with one steam engine and two motors. The use and occupancy insurance may be written for $1,000 per day with a total limit of $100,000 per accident on the steam engine, and $1,000 per day with a total limit of $25,000 on the electric motors.

Use and occupancy requires and should have the attention of those who are qualified to make a careful exposure survey. This suggestion is made not because of complications which may arise from the wording of the contract, but because in every plant the objects will not always bear the same relation to the exposure.

Crime Doesn't Pay Much

¶ Scandalous mark-downs which burglars and such low characters must accept when retailing their booty was seldom better shown than by the recent experience of a Calgary thief who stole an artificial leg from its owner. The leg was worth $275. He sold it for 75¢ . . . When caught, he hadn't a leg to stand on, of course. — Canadian Underwriter

SPECIAL STUDY SECTION

BREVITY, besides being the soul of wit, is also the announced policy of THE CASUALTY AND SURETY JOURNAL. However, from time to time, we will feature in this section special articles by leading figures in their various fields which, by their importance and comprehensive coverage of the subject, we feel justify the special attention of our readers.

This month we feature "Burglary Protection Activities at Underwriters' Laboratories, Inc.," by H. B. Michael, Engineer of the Burglary Protection Department, Chicago

Burglary Protection Activities at Underwriters' Laboratories, Inc.

H. B. MICHAEL

THERE IS A THEFT every forty-five seconds, a burglary every two minutes, and a robbery every nine minutes each hour of every day in the year.

The magnet which attracts the 500,000 armed burglars, robbers, and thieves is $170,000,000,000 in money and securities, and $83,000,000,000 in merchandise, chattels, jewelry, etc., scattered throughout some twenty-six million "exposures."

Most of the 2,500,000 commercial properties which contain a large slice of this crime-attraction have inadequate devices or *none at all* to protect against burglary, robbery, and theft.

Even if our police forces were increased one hundredfold, they could not guard all of these properties all of the time.

In short, that is the crime situation which confronts us.

Criminals attack where protection of the securities or merchandise is lacking, where escape is easy, apprehension is unlikely and the prospects of profits seem rosy. It is an established fact that premises which are adequately protected are seldom selected as targets for an attack by experienced crooks.

This latter fact was recognized twenty years ago by a group of stock company burglary underwriters. They requested that Underwriters' Laboratories set up standards for devices and systems to protect against burglary, robbery, and theft. Accordingly, the burglary protection department was established and equipped to test such products for effectiveness, reliability of operation, durability, uniformity of construction, and safety to life. The standards drawn for judging the acceptability of these products were formulated in collaboration with an Underwriters' Laboratories' burglary protection council whose members are capital stock burglary insurance men of widest experience.

See also "Some Casualty Activities at Underwriters' Laboratories, Inc.," by Sydney V. James, THE CASUALTY AND SURETY JOURNAL, January, 1941, page 6.

Several years after this work was started, about 1924 or '25, a schedule of credits was set up for protective devices which were approved, labeled, or certificated after having passed Underwriters' Laboratories' tests. This schedule is in effect today.

H. B. MICHAEL

I. Safes

As severity of a burglarious attack on a safe may be measured by the time a yegg will have to work on it undetected, the effectiveness of his tools, and his skill, so the amount of protection provided by any particular safe in part may be measured in terms of the length of time it will withstand expert attack by various methods.

In view of this, Underwriters' Laboratories has established five classifications for safes. The class of safe employed to guard valuables should be chosen according to the values that will be stored in it and the type of criminal attack which may be expected.

"Peat men" — crooks who use nitroglycerine and other explosives — and "torch men" — those experienced in the use of the cutting torch — are not attracted by small sums. If reasonably small amounts are to be protected against the common crook who uses sledge-and-chisel, drill or pry-bar to punch or drill the combination lock, force the bolts, or rip off the door plate, then a safe with a T-20 classification will probably serve the purpose. T-20 safes will frustrate the majority of the attacks made on them. In addition to this burglary classification, some of these safes also carry a fire-protection classification.

For the protection of substantial amounts of cash, key locked safes known as Class KL may be used. These are required to resist entry by experts with ordinary tools for at least 45 minutes under ideal laboratory conditions favorable to attack. Class KL safes have two special features. They are equipped with double key locks so that one of the keys may be retained by an outside collection agency, thus

Torch attack on master connection of vault door equipped with relocking device. The relocking device should securely relock the door when an attempt is made to sever the master connection between the combination lock and the locking bolts of the door

preventing robbery between collections. Also, they must be anchored in a heavy concrete block or otherwise secured to the structure to prevent theft of the entire unit.

Explosive resisting or Class X-60 safes are tested with nitroglycerine at Underwriters' Laboratories' high explosive testing station thirty miles outside of Chicago. Explosives are applied to all vulnerable parts of the safe being tested. In addition to withstanding the explosive attack, the X-60 safe must resist for at least an hour, expert attack by any common method except the cutting torch.

To discourage and frustrate the torch expert, copper and other burn-resisting metals are built into safes. To win the Laboratories' torch-resisting classification TR-60, a safe must resist expert attack by ordinary tools and oxy-fuel gas cutting torches for a net working period of one hour.

The ultimate in safe construction is attained in safes and chests which combine various construction materials in such a way as to afford high resistance to all methods of attack practices by burglars; *i.e.*, ordinary tools, explosive, and cutting torch, used singly or in combination. Safes found to give protection against this combination attack for at least one hour are rated TX-60.

All safes and chests approved by Underwriters' Laboratories for burglary protection carry a label indicating the classification under which they were approved.

The production of approved safes is constantly supervised by Laboratories' inspectors at factories. Construction is carefully checked and samples of metal heat treated in the same batch with production castings are tested for hardness, drill-resistance, bending, strength, elastic limit, energy of rupture, and compression strength.

II. Burglar Alarms

The nature of a burglar alarm system is such that its actual effec-

tiveness is not apparent to the user. It must remain ready 6,000 hours each year to send a warning of any unauthorized entry of the protected area, or of any tampering with the system, however expert. As most commercial premises are closed and unoccupied 60% to 70% of the time, the effectiveness of the alarm system and its reliability must be unquestionable.

There are a number of types of alarm systems.

(1) Electric wires embedded in walls and doors, where any attempt to break through will disturb the wires and send an alarm.

(2) Another system, often employed to protect bank vaults, uses microphones in the vault to detect the noise of an attempt to break in.

(3) Beams of invisible light whereby, if the burglar breaks a beam with his body or tools, an alarm is initialed.

(4) A system sensitive to heat, where use of a cutting torch will cause it to operate.

(5) Another system works on body capacity and sends an alarm when someone goes near the vault.

Proof of the effectiveness of alarm systems bearing an Underwriters' Laboratories' certificate is illustrated by the record on bank vault alarms, and there are 7,000 approved installations protecting bank vaults in all parts of the country.

To investigate an alarm system submitted by a manufacturer, the system is set up in the New York or Chicago testing station. The engineers thoroughly familiarize themselves with the circuit diagrams and the principle of operation of the system. They then "turn burglar" and with the most modern tools try to break through the protected area without causing an alarm. All the tricks of the trade are tried and many not known to the criminal fraternity.

Phonograph recordings of the noises made by various types of attacks on vaults of different constructions are used in testing alarm systems operating on the sound-detection principle.

Alarm systems are divided into *local* and *central station* systems. The former terminates in a gong on the

Photographic records are made of the sounds of burglarious attacks on vaults. The cathode ray oscillograph is used to translate the sounds into visible waves

Bank messenger bags constructed in such a way as to discourage and prevent theft. These bags are armored and, of course, locked. They are usually designed to allow the robber to begin his getaway before the mechanism in the bag starts operating. In this way the bank messenger is safeguarded. Above is shown a trial demonstration of the bag made by the engineers of the burglary protection department. About ten seconds after the bag has been snatched from the messenger's hands the bag begins to fire blank cartridges to attract attention and frighten the robber. Immediately thereafter a stream of heavy, yellow, tracer smoke pours from the bag. A car with the smoking bag inside was easily traced when the windows were open, and with the windows closed it was impossible to drive

outside of the building, the latter in a central station of the alarm company from which special armed guards are dispatched. Installations are further classified as Grade A or B systems, either *complete* or *partial*, and in the case of mercantile systems, as Installation 1, 2, or 3. These various gradings and subdivisions indicate the extent of the protection provided by the particular installation. Certificates are issued by the Laboratories for approved installations specifying the grade and the extent of the protection.

Inspection of certified alarms is an important part of the work. A substantial number of installations is checked by Laboratories' inspectors each year. In the case of the central office alarm, the inspection frequently takes the form of an unannounced or surprise test alarm,

turned in at any hour of the day or night by a UL inspector in order to observe the response and action of the central office company guards.

III. Bullet-Resisting Devices

Bullet-resisting glass and steel, speaking apertures, deal trays, and gun ports and other such materials used in bandit-resisting enclosures, are tested in the laboratory with high, medium, and low-powered small arms and specially loaded ammunition.

IV. Tear Gas

Tear gas systems are examined for effectiveness, toxicity, and fire and explosion hazard.

Before certificates are issued for bandit-resisting installations or for tear gas systems for hold-up protection, the plans of each installation are carefully studied to make certain that the necessary amount of protection is provided and the installation is designed in accordance with standard requirements.

V. Time Locks

The time lock is another type of protective device examined for reliable performance under both normal and abnormal conditions.

These are a few of the highlights of the burglary protection activities carried on by Underwriters' Laboratories. While it is impossible even to estimate the actual savings made possible in the twenty years since the work was begun at the urging of capital stock burglary underwriters, it is certain that the savings have been substantial indeed and are increasing each year.

Records of the effectiveness of approved protective installations show a marked gain in the past ten years. On the other hand, there is ample evidence of the fallacy of using unapproved equipment.

Poor protection gives a false sense of security and may result not only in losses from an attack but in losses through the additional expense of replacing substandard equipment with certified products.

The case of a bank in a large southern city is typical. Some

Money lockers and chests are tested to see if they will protect against attack with ordinary tools. It should not be possible to open the door by "fishing" after holes have been cut in the case

Torch attack on steel panel in vault wall, made during test of alarm system. To make phonograph records which could be used in testing alarm systems operating on the sound-detecting principle, attacks with cutting torch, sledge and chisel, drill, electric hammers, etc., were made on panels of steel, concrete, tile and other constructions in the vault wall

$3,000 was spent for an unapproved bullet-resisting enclosure. Four or five years later loss experience resulted in the insurance company calling for a UL certified installation. Underwriters' Laboratories' engineers made a special inspection of the premises at the request of the bank. It was found that they had three-quarter inch thick "bullet-resisting" glass that wouldn't stop bullets, and also deal trays and speaking apertures which wouldn't stop bullets. Result: the bank bought a certified installation at a cost of one half the sum of the original investment and the cost of the inspection. Had this been done in the first place, several thousand dollars and much ill-will would have been saved.

It is still as impossible today as it was twenty years ago for a user merely to look at a protection sys-

Above, an engineer examines a sample of bullet-resisting glass which has been fired at three times with the highest powered pistol available. The bullet should not go through the glass, and the glass should not shatter on the reverse side in such a way as to blind or cut the person behind it

tem and accurately judge whether or not it will give reliable and lasting service. And with increased national activity, and with stocks, inventories and prices rising and losses tending to rise, the need for reliable automatic protection against burglary, robbery, and theft becomes increasingly imperative. This is particularly important under blanket forms of coverage where the assured may be tempted to do without protection or to purchase unreliable equipment unless he receives insurance guidance in the matter of approved protection.

The A. B. C. of Insurance

A ccident and auto
B urglary
C ompensation
D og liability
E xplosion
F ire
G olf
H ealth
I ndustrial
J ewelry
K idnap
L ife
M alpractice
N eon sign
O mnibus
P late glass
Q uake
R iot
S prinkler leakage
T ourist floater
U se and occupancy
V ictimization
W indstorm
X ray liability
Y acht
Z eppelin

"I admit," says Mervin L. Lane of New York City, regarding his unusual listing, "that the last-mentioned item is now obsolete, and am now considering adding any (or all) of the following: Zebra liability; Zero explosion; Zone property damage; Zwieback rioting; Zenith larceny; Zither theft; Zephyr breakage; Zodiac collision; Zoo tenant liability; or possibly Zymotic payroll."

Opportunity Months for Several Important Surety Lines

★★★ Month of largest number of risks written ★★ Month of second largest number written
★ Month of third largest number written

	J	F	M	A	M	J	J	A	S	O	N	D
INDIVIDUAL	★★★	(★★)					(★★)					★
BANKERS BLANKET	★★★	(★★)				★	(★★)					(★★)
BROKERS BLANKET	★★★						★					★★
COMMERCIAL BLANKET	★★★			(★)		(★)	(★★)				(★★)	(★)
PUBLIC OFFICIALS	★★★						★★					★
CONTRACT	(★★)						(★)		(★)	★★★	(★★)	(★★)
LICENSE AND PERMIT	(★★★)		(★)			(★★★)	(★)					★★
MISCELLANEOUS	(★★)	★		★★★		(★★)						

These figures, furnished through the courtesy of some of our member companies, reflect only the composite experience of the particular companies concerned. While the chart indicates the three largest months for various lines, remember that bonds are sold every month in the year, and that sales in some lines fluctuate little from month to month. The presence or absence, in your own state, of certain legislative factors or peculiar local conditions might influence results in your own individual case, as would of course the extent of your own soliciting in any given month. Parentheses indicate approximately same number risks written in two or more months.

A Similar "Opportunity Chart" for Casualty Lines Appeared in the June, 1940, issue, page 42

FIELD FORUM

DOG DAYS

Baltimore, Md.

To the Editor:

In the March issue of THE CASUALTY AND SURETY JOURNAL, you reproduced a letter from an agent in Auburndale, Florida, in which he inquired about Mortality Insurance for dogs. We have had requests of this type and if you can tell us what companies handle this class of business, it will be greatly appreciated.

M.

[Information requested in this and numerous other instances has been put in the mails. Glad to be of help. — ED.]

—◇—

PROFESSIONAL LIABILITY

SYRACUSE, N. Y.

To the Editor:

We have just been asked to furnish one of our assureds with a professional liability policy, and am unable to find just which company writes this.

Reference to your October issue shows mention of surveyor's liability insurance as being written by at least two companies, one writing it as a bond and not as an insurance policy.

Can you tell us the name of these companies, please?

S.

[Information sent. — ED.]

—◇—

"HOLD HARMLESS CLAUSES"

Kansas City, Mo.

Dear Editor:

I was very much interested in an article appearing in the February issue of THE CASUALTY AND SURETY JOURNAL, by Bert G. Wills, on the subject of hold harmless agreements. It occurred to me that in view of the fact that Contractual Insurance is an integral part of Comprehensive General Liability that we could very well use a more extensive discussion of the subject. I am quite sure that underwriters as a whole share my view and hope to hear more from Mr. Wills on this subject in an early issue of the JOURNAL.

Y.

—◇—

FLAT TIRE

PITTSBURGH, PA.

Dear Editor:

Where can we secure the "flat tire truck" shown in your February picture section?

X.

[This device is brand new, and only recently it has been licensed for manufacturing. First of these "gadgets" is expected to appear on the market in the near future. — ED.]

—◇—

PIX

Boston, Mass.

. . . While appreciating that the material to be handled presents many difficulties, it seems to me that it could be pepped up still further with more pictures and humor.

W.

Buffalo, N. Y.

. . . While the size and make-up are very good, perhaps a few more illustrations might be helpful.

D.

[In full appreciation of the fact that "The Eyes Have It," for some time THE CASUALTY AND SURETY JOURNAL has been striving to further pictorialize its message. Readers of this issue, for instance, will note the inclusion of no less than 45 illustrations. — ED.]

PERSONALITIES

HERBERT B. MICHAEL, Engineer of the Burglary Protection Department of Underwriters' Laboratories, Inc., Chicago, is a graduate of Purdue University. He joined the Laboratories' staff in 1919 and has been engineer of the Burglary Protection since 1926. (*Burglary Protection Activities at Underwriters' Laboratories, Inc.*, page 51.)

A. N. GRAVES, following experience in the automobile business in Hartford, entered insurance in 1936, joining The Travelers as a Casualty Field Assistant, later being assigned as Field Assistant to the Grand Rapids branch office, later to the Philadelphia office. Last year he returned to the Home Office, Hartford, as Agency Assistant. (*Everyone Has a Liability Exposure*, page 23.)

WALTER S. PAINE is Manager, Engineering and Inspection Department, Aetna Life. *Author:* Method of Rating Chemical Risks for Insurance; Handbook of Industrial Safety Standards; Article on Explosion Hazards in Industry; Safety in Chemical Industry; Relation between Industrial Safety and Production. *Member*: Vice President for Industrial Safety, National Safety Council; Engineering Section, A.S.S.E., National Safety Council; Chairman, Safety Code Correlating Committee, American Standards Association; Standards Council, American Standards Association; Special Industrial Disease Committee, American Standards Association; Legal Committee of Air Hygiene Foundation of America, Inc.; Casualty Council, Underwriters' Laboratories, Inc.; Engineering Committee, National Conservation Bureau; Hartford Section, A.S.M.E.; Hartford Engineers Club; Elevator and Wire Rope Research Committee, A.S.M.E.; Camp Rainbow and Camp Jewell Committee for Underprivileged Boys, Hartford Y.M.C.A. (*Production Value of Conservation Work*, page 26.)

AVERELL BROUGHTON is an advertising and public relations counsel of New York City who, for many years, has specialized in public relations problems of the insurance industry. He also cooperated very largely in the initial plans for this magazine. Columbia. War service overseas. Writer and speaker. (*The Value of the Insurance Trade Press*, page 34.)

WHEATON A. WILLIAMS, Vice President of Fred L. Gray Co., Minneapolis, first became interested in all phases of automobile insurance and allied topics sixteen years ago. Ever since, he has collected material, read everything available, debated the subject with attorneys, delivered addresses and has written innumerable articles on the subject. Mr. Williams says he was educated at "Al Smith's College" —self-educated—working during sum-

mer vacations while going through high school. He served two years with the 2nd Division in the first World War. His family is his hobby. (*Let the Prime Consideration Be to Promote Greater Safety*, page 19.)

HAROLD J. BADUM is Superintendent of the Boiler and Machinery Department of the Fidelity and Casualty of New York. Twenty-four years' experience enables him to speak with authority. "I sometimes wonder," he says, "why insurance men assume they do not know the answer *before* reading a boiler or machinery contract." For relaxation, we understand that Mr. Badum, like many others, plays *at* golf. (*A Bird's-Eye View of the Boiler and Machinery Contract*, page 46.)

ROBERT S. HOLMES, Traffic Engineer of the National Conservation Bureau of the Association of Casualty and Surety Executives, has now left to resume active duty as a reserve officer in the United States Army, with immediate duties in the office of the Chief of Ordnance in Washington, D. C. Georgia Tech; B.S.C.E. Graduate fellowship at Bureau for Street Traffic Research, Yale. In his former position with the Pennsylvania Turnpike Commission, he served as a Traffic Engineer in charge of developing signs and markings and special safety features for traffic regulation, for America's super highway. (*America's Super Highway*, page 1.)

GEORGE H. MOLONEY graduated from Kent College of Law and was admitted to the Illinois Bar in 1911, and became associated with the Maryland Casualty in 1904. In 1913 he joined the head office of the Zurich General Accident and Liability at Chicago, in charge of Compensation claims. In 1915 joined the Hartford Accident and Indemnity as Attorney in charge of the Legal and Claim Department in Chicago. Appointed General Attorney in 1930 and elected Vice President in 1933. Member of the American, Illinois and Chicago Bar Associations. (*The Producer and the Claim Man*, page 13.)

EARL JOHNSON, Secretary-Treasurer of the Moore and Johnson Company, Raleigh, North Carolina, served in France during the World War. Attended University of North Carolina. President, North Carolina Association of Insurance Agents; member, Membership Committee, National Association of Insurance Agents. (*OL & T—Public Liability*, page 39.)

"For it so falls out
That what we have we prize not to the worth
Whiles we enjoy it, but being lack'd and lost,
Why, then we rack the value; then we find
The virtue that possession would not show us
Whiles it was ours."

— Shakespeare

QUICK QUIZ

For Our Busy Readers

(*Check the Correct Statement*)

1. The prime objective of those in charge of designing the Pennsylvania Turnpike was: (1) To enable motorists to speed as much as possible; (2) To offer a route resplendent with scenic attractions; (3) To provide greater safety in automotive transportation. (*Page 1.*)

2. As regards the producer and the claim man: (1) The producer has nothing to gain from cooperating with the adjuster; (2) Each will benefit by close cooperation; (3) The claim man has nothing in common with the producer. (*Page 13.*)

3. Compulsory automobile insurance: (1) Would not improve the safety record; (2) Would bring down the cost of insurance; (3) Would be cheaper than the alternative of a financial responsibility law and the three E's — Education, Enforcement and Engineering. (*Page 19.*)

4. As regards liability coverage: (1) The public is becoming claim-minded; (2) Is less so than formerly; (3) Has changed little or none on this point. (*Page 23.*)

5. The conservation of life and property as carried on by the National Conservation Bureau of the Association of Casualty and Surety Executives and the engineering divisions of member companies: (1) Has a definite effect on production; (2) Is purely altruistic. (*Page 26.*)

6. The insurance trade press: (1) Is highly developed and offers much help to the producer; (2) Is of interest largely to home office officials. (*Page 34.*)

7. The O L & T policy: (1) Now has less benefits than formerly; (2) Has been about the same for several years; (3) Recently has incorporated several new benefits. (*Page 39.*)

8. If a driver in the State of Washington is going 50 miles an hour and holds out his hand 125 feet before making a left turn, he should realize that: (1) He has complied with the law; (2) He has not observed the law. (*Page 44.*)

9. The inspection and engineering service that accompanies boiler and machinery insurance: (1) Has become so important as to cause some people to lose sight of the important parts of the basic contract itself; (2) Is a relatively insignificant adjunct of the insurance protection. (*Page 46.*)

10. If our police forces were increased something like one hundredfold: (1) They could easily guard all of America's properties against burglary, robbery and theft; (2) Even such an increase in our protective forces still would be grossly inadequate for complete prevention. (*Page 52.*)

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KENILWORTH H. MATHUS, *Editor*

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